

WASHINGTON, DC—Rep. DeFazio (D-Springfield) today led seventy eight Members of Congress in sending a bipartisan letter to Secretary of Transportation Ray LaHood and US Trade Representative Ronald Kirk. The letter asks that they renegotiate the section of the North American Free Trade Agreement (NAFTA) that opens U.S. roadways to unsafe Mexican trucks.

“Mexico has no meaningful system for commercial driver’s licenses, drug testing or hours of service. This is a trade agreement that threatens the safety of the American public. Mexico has no right to use tariffs to force unsafe trucks with exhausted over-worked, under-paid drivers into the United States,” DeFazio said.

Objection to the Bush Administration’s cross border trucking program was predominantly due to Mexico’s less stringent regulations on hours-of-service, vehicle safety, and driver training and licensing. This poses a threat to the traveling American public. Congress has repeatedly and overwhelmingly rejected the cross-border program because it failed to adequately protect Americans from unsafe Mexican trucking standards. In a Congress that rarely agrees on anything, this issue has unified Democrats and Republicans on both sides of the Hill.

“The Obama Administration proposal has not been made public and I have not seen it but, I am skeptical that Congress will approve any program of this kind. The safety concerns are just too big an obstacle to overcome. This section of NAFTA is just unacceptable and cannot be remedied with tinkering at the edges. I believe the solutions offered in this letter will be more fruitful for the Administration,” DeFazio continued.

NAFTA does not bind the U.S. to accept subpar safety standards; however, the Mexican government is insisting the U.S. move forward with cross-border trucking and has instituted retaliatory, politically aimed tariffs until the program is in place. The letter offers the only workable solution to the current grid lock on the issue: renegotiate the flawed section of NAFTA (section U.S. NAFTA Annex I (I-U-21)) which requires a commitment to liberalize cross-border trucking. This would remedy all the truck safety, homeland security, and unemployment issues associated with this long standing trade dispute. A successful renegotiation would also eliminate the tariffs, which are negatively impacting the export markets in the United States.

The full text of the letter is below:

The Honorable Ray LaHood

Secretary

U.S. Department of Transportation

1200 New Jersey Avenue, SE

Washington DC 20590

The Honorable Ronald Kirk

Ambassador

The United States Trade Representative

600 17th Street, NW

Washington DC 20508

April 14, 2010

Dear Secretary LaHood and Ambassador Kirk:

You recently received a letter from 56 Members of Congress stressing the need to resolve the retaliatory Mexican tariffs stemming from Congress's overwhelming rejection of the cross-border demonstration program. We wholeheartedly agree that the U.S. must find a way to eliminate these excessive, arbitrary, and political tariffs.

However, we caution the Administration that we firmly believe it would be difficult, if not impossible, to receive Congressional support for a cross-border trucking program that allows tens of thousands of Mexican trucks traveling across the lower 48 states. NAFTA does not bind the U.S. to accept subpar safety standards, and Congress is not going to waive our rights under NAFTA. We are entitled to require comparable standards for safety from Mexican trucking companies. Their standards are not even close to equivalent to U.S safety requirements. The addition of tens of thousands of substandard Mexican trucks to our roads would jeopardize the safety of our traveling public.

Given these constraints, we offer you a solution that has a greater likelihood of success. We believe the U.S. should renegotiate U.S. NAFTA Annex I (I-U-21), the U.S. commitment to liberalize cross-border trucking, and thus eliminate the requirement to open our borders to Mexican trucks. This would remedy all the truck safety, homeland security, and unemployment

issues associated with this long standing trade dispute. A successful renegotiation would also eliminate retaliatory tariffs, which are negatively impacting our export markets.

The current system works well. US trucking firms have testified they have no desire to enter Mexico and become a prized target in the ongoing drug war in Mexico. They have raised legitimate concerns about hijackings, extortion and theft. They are confident the existing current 20 mile commercial border zone is superior to the proposed full cross border program.

As the following timeline demonstrates, Congress has repeatedly and overwhelmingly rejected the cross-border program because it failed to adequately protect Americans from unsafe Mexican trucking standards. In a Congress that rarely agrees on anything, this issue has unified Democrats and Republicans on both sides of the Hill.

- In May of 2007, the House voted overwhelmingly, 411-3, to pass H.R. 1773, the Safe American Roads Act of 2007. This legislation would have imposed additional restrictions on the cross-border demonstration program and ensured that DOT establish a process to analyze the impact of allowing Mexican trucks on our nation's roadways before the border is permanently opened. Then-Representative LaHood voted for this bill.

- The FY 2007 Iraq War Supplemental spending bill (P.L. 110-28) included strict measures to ensure that the demonstration program adhered to safety and security guidelines and required that its progress be assessed by an independent panel.

- In 2008, both the House and Senate both passed amendments to the FY 2008 Transportation spending bill to prohibit the use of federal funds to implement the Cross Border Truck Safety Inspection Program. Both then-Senator Obama and Representative LaHood supported these amendments. Ultimately, the prohibition was included in the FY 2008 Omnibus Appropriations Act (P.L. 110-161).

- Finally Congress terminated the cross-border demonstration program in the FY2009 Omnibus Appropriations Act (P.L. 111-8).

Congress has repeatedly objected to the demonstration program because Mexico has not met U.S. safety standards. Mexican access to U.S roadways is dependent on carriers proving they meet U.S. safety standards regarding hours of service, driver training, licensing, drug testing and vehicle safety. However, there has been no comprehensive independent review to assess whether Mexico's vehicle standards and driver licensing and safety rules are equivalent to the requirements of U.S. law.

The cross-border demonstration program was a poor test of the true level of safety that will be seen among Mexico domiciled carriers if the border is opened. The DOT IG's February, 2009 report found that the low rate of participation in long haul operations among Mexican carriers "was not adequate to provide statistically valid findings that will allow FMCSA to project safety performance of the pool of applicants for long haul operating authority." Further, the IG found

that “participants were not representative of Mexican carriers likely to conduct long-haul operations” in terms of certain business characteristics and in terms of safety history. Specifically, vehicle and driver out-of-service rates for pilot program participants were lower, by a statistically significant margin, than other Mexican carriers that currently operate in the United States in the commercial zone or under grandfather rights. In other words, the IG substantiated the fact that DOT cherry picked the safest carriers to participate in the pilot.

Removing the cross border trucking provision from NAFTA will also prevent more job losses at a time when we can least afford them. Should the border be fully opened to Mexican trucks, the low wages of Mexican drivers will drive U.S trucking companies out of business. This continues a disturbing trend of American job losses through outsourcing. The difference is that we are allowing foreign workers making foreign wages to enter our nation and unfairly compete for American jobs. Opening our border to Mexican trucks is a lose-lose for U.S. workers and the traveling public.

It is clear the easiest path to eliminating the retaliatory Mexican tariffs is to renegotiate U.S. NAFTA Annex I (I-U-21). Thank you for your attention to our concerns and we look forward to a prompt reply.

Sincerely,

Peter DeFazio

Duncan Hunter

Gene Taylor

James Oberstar

Brad Sherman

John Duncan

Ed Whitfield

Gene Green

Walter Jones

George Miller

Thaddeus McCotter

Louise Slaughter

Ted Poe

Collin Peterson

Barney Frank

Mike Michaud

Jim Marshall

Phil Hare

Jerry Cotello

Charlie Melancon

Bob Filner

Larry Kissell

Tim Holden

Steve Kagen

Leonard Boswell

Mike Doyle

Betty Sutton

Mark Schauer

Brian Baird

Tim Bishop

Mazie Hirono

Daniel Lipinski

Peter Welch

John Garamendi

Marcy Kaptur

Bruce Braley

Nick Rahall

Peter Visclosky



David Wu

John Boccieri

Jason Altmire

Russ Carnahan

Pete Stark

James McGovern

Michael Arcuri

Christopher Carney

Heath Shuler

Tim Walz

Maurice Hinchey

Bill Pascrell

Brian Higgins

Alan Mollohan

Lynn Woolsey

Grace Napolitano

Shelley Berkley

Dave Loebsack

Dennis Kucinich

Barbara Lee

Michael Capuano

Dennis Moore

Rick Boucher

Chellie Pingree

Keith Ellison

Joe Baca

Patrick Murphy

Janice Schakowsky

Loretta Sanchez

Carol Shea-Porter

Betty McCollum

Linda Sánchez

Tammy Baldwin

Paul Tonko

Kathy Dahlkemper

Bart Stupak

Jerrold Nadler

Mary Jo Kilroy

Jerry McNerney

Tim Ryan